

Service Date: December 20, 1982

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * *

IN THE MATTER Of The Application OF)	
MOUNTAIN STATES TELEPHONE AND TELE-)	
GRAPH COMPANY, INC., GENERAL TELE-)	UTILITY DIVISION
PHONE COMPANY OF THE NORTHWEST, INC.,)	
and NORTHWESTERN TELEPHONE SYSTEMS,)	DOCKET NO. 82.6.37
INC. To Adopt Certain Depreciation)	
Changes And Certain Changes Pertain-)	ORDER NO. 4951a
ing To Station Connections and Inside)	
Wiring, AND IN THE MATTER Of The Com)	
mission's Investigation Into Detariff-)	
ing Customer Premises Equipment.)	
_____)	

ORDER ON MOTION FOR RECONSIDERATION

FINDINGS OF FACT

1. On November 30, 1982 the Montana Public Service Commission issued Order No. 4951 in Docket No. 82.6.37, concerning issues related to depreciation.

2. On December 10, 1982, Mountain States Telephone and Telegraph Company, Inc., (Mountain Bell) filed a Motion For Reconsideration of Order No. 4951. Mountain Bell requested the Commission to reconsider Finding of Fact No. 30 in Order No. 4951 that states "The Commission does not approve any revisions in depreciation rates for plant that will be transferred to AT&T upon divestiture and directs Mountain Bell to continue to use existing depreciation rates on these assets for purposes of determining intrastate revenue requirements." Mountain Bell asks for reconsideration because the decision is "unsupported by the evidence in this Docket. . . . and contrary to the full and complete recommenda-

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tion of Montana Consumer Counsel witness, Allen Buckalew."

3. The Commission grants the Company's Motion to the extent that non-CPE assets were included in plant to be transferred to AT&T. The Commission authorizes Mountain Bell to use depreciation rates arrived at via the three-way meeting for these assets. However, the Commission reaffirms its Findings in Order No. 4951 concerning customer premises equipment (CPE). In that order the Commission found that Montana ratepayers should not be asked to pay rates which reflect higher depreciation expenses attributable to competitive activities that will be transferred to AT&T. By not allowing Mountain Bell to accelerate depreciation rates on CPE the Commission does not slow down capital recovery. The embedded CPE area is in a state of rapid change flowing from Computer II and the AT&T divestiture. The Commission prefers to not consider depreciation changes in this area at this time.

4. Finding of Fact No. 3 has the effect of increasing Mountain Bell's revenue requirement by \$282,000. These revenues are to be collected in accordance with the rate design found to be appropriate by this Commission in Docket No. 82.2.8, Order No. 4948.

CONCLUSIONS OF LAW

1. The Montana Public Service Commission properly exercises jurisdiction over the operations of Montana States Telephone and Telegraph Company, Inc. pursuant to Title 69, Chapter 3, MCA.

ORDER

1. Mountain Bell's Motion For Reconsideration, to the extent discussed in the above Findings of Fact, is HEREBY GRANTED IN PART and DENIED IN PART.

2. Mountain Bell is ordered to include the revenue requirement of \$282,000 granted in Finding of Fact No. 3 with the revenue requirement granted in Docket No. 82.2.8, Order No. 4948. No separate tariffs need to be filed.

DONE AND DATED, at Helena, Montana, this 20th day of December, 1982 by a
5 - 0 vote.

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BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

Gordon E. Bollinger, Chairman

John B. Driscoll, Commissioner

Howard L. Ellis, Commissioner

Clyde Jarvis, Commissioner

Thomas J. Schneider, Commissioner

ATTEST:

Madeline L. Cottrill
Commission Secretary

(SEAL)

NOTE: You may be entitled to judicial review in this matter. Judicial review may be obtained by filing a petition for review within thirty (30) days of the service of this order. Section 2-4-702, MCA.